

## Chronology

### March 25, 2004

November 2003	MidAmerican proposes to spend \$100 million of gas pipeline development costs over three years. In return the State would agree to reimburse MidAmerican half of such development costs if the project did not go forward and agree to provide MidAmerican the right to build, own and operate the Alaska portion of the pipeline if the project proceeded.
December 2003	State declined the proposal because (i) the risk undertaken by MidAmerican (\$50 million) was not commensurate with the reward (ownership of the pipeline); (ii) the State had no authority to make a sole source agreement with any party to build, own and operate the pipeline; and (iii) the Governor believed it inappropriate to rescind the Stranded Gas application of the producers which the State had already accepted.
January 2004	State urges MidAmerican to proceed with an application under the Stranded Gas Act.
March 2004	MidAmerican proposes to risk \$100 million in development costs in exchange for allowing MidAmerican to be the sole builder, owner and operator of the Alaska portion of the pipeline.
March 12, 2004	<p>Governor explains to David Sokol by phone that he does not have authority to unilaterally rescind Stranded Gas application of producers, which the State has accepted. Thus, he could not grant exclusivity to MidAmerican at this time.</p> <p>MidAmerican breaks off negotiations with State.</p> <p>Governor proposes a March 22<sup>nd</sup> meeting between the producers, MidAmerican and TransCanada to discuss how producers might speed up the project if MidAmerican, TransCanada and State accept some shipping risk.</p>
March 16, 2004	Governor informs MidAmerican in writing that he does not have authority to provide MidAmerican an exclusive.
March 16, 2004	MidAmerican refuses to come to the March 22 <sup>nd</sup> meeting because the Administration has not agreed to grant it exclusive development rights.
March 17, 2004	Attorney General and Chief of Staff speak for 2.5 hours with David Sokol and Carl Marrs about how MidAmerican's development money expenditures could be protected without withdrawing the producers' Stranded Gas Act applications. AG and COS agree to discuss with Governor possibility of proposing to Legislature that if TransCanada assigns its 1976 ANGTA exclusive Alaska right-of-way to

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	MidAmerican, State will not process other right-of-way applications for five years. Sokol agrees to try to obtain such an agreement from TransCanada.
March 18, 2004	MidAmerican requests that TransCanada assign its State assets including 1976 its exclusive ANGTA right-of-way to MidAmerican.
March 19, 2004	TransCanada agrees to transfer its assets including its exclusive 1976 ANGTA Alaska right-of-way to MidAmerican if MidAmerican is selected as the developer of the Alaska portion of the gasline, "as and when the commercialization of the project reaches a definitive stage."
March 19, 2004	AG and COS send memorandum to MidAmerican stating that State would propose to Legislature a five year deferral of any other right-of-way application in exchange for a joint workplan from TransCanada and MidAmerican which among other things would require a commercialization plan by which they would be the shipper or make shipping arrangements to utilize the capacity of the pipeline and provide a tariff model sufficient for application to the FERC. All of this would be discussed at the March 22 <sup>nd</sup> meeting.
March 22, 2004	<p>There was a five-hour meeting with the producers, TransCanada and MidAmerican with the Governor and his team, followed by a two hour meeting with TransCanada, MidAmerican and the Governor and his team.</p> <p>At the meeting which included the producers, the Governor proposed that MidAmerican and TransCanada make a joint proposal to the producers based on the understanding that they, along with the State, would assume some shipping risk in exchange for the producers' speeding up the project. The MidAmerican, TransCanada proposal was due by the end of May. The producers would respond four weeks later. The State would complete the due diligence on its willingness to accept shipping risk by the end of the third quarter.</p> <p>At the second meeting (without the producers) MidAmerican asserted that the five-year State right-of-way deferral proposal made by the AG and COS was insufficient. MidAmerican wanted other assurances. The Governor said the State would attempt to find a path forward which would not require the State to rescind the Stranded Gas application it had received in good faith.</p>

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March 25, 2004	The State sends its proposal to MidAmerican.
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